



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

House: NREW DP 6-3-1-0

HB 2561: city water provider; requirements; service

Sponsor: Representative Kolodin, LD 3

House Engrossed

Overview

Directs a municipality to provide water service through a standpipe until 2026 to up to 750 households that lack access to sufficient water if those households had previously received water service from the municipality, the municipality is reimbursed for providing water service and providing this water does not reduce water available to the municipality or the households.

History

In response to a declared shortage on the Colorado River, the City of Scottsdale ceased providing water for hauling to Rio Verde Foothills in 2023. This unincorporated community borders the City of Scottsdale and contains about 2,000 households. Most residents use wells for a domestic water source, but approximately 500-700 households depend on the delivery of hauled water. One source of hauled water was a filling station operated by the City of Scottsdale, which provided about 117 acre-feet of water to Rio Verde Foothills annually.

In August 2021, the Bureau of Reclamation declared a Tier 1 shortage on the Colorado River. The City of Scottsdale's [Drought Management Plan](#) required that when a Tier 1 shortage occurred, any water hauling operations would cease unless the customer could prove the hauled water was being directly supplied to a resident or business within the city's limits. In August 2022, the City of Scottsdale notified all water hauling customers that water service would cease on January 1, 2023 unless the customer could prove the hauled water was used within the city's limits. The City of Scottsdale terminated water service on January 1, 2023.

Provisions

1. Directs a municipality that provides water service to provide this service through an intergovernmental agreement with a county for no more than 3 years using a standpipe for water hauling to those who reside outside the municipality's water service area and who do not have access to sufficient water if all the following criteria apply:
 - a) Less than 750 households will be served in an unincorporated community within the county that is adjacent to the municipality;
 - b) The municipality previously provided water service to those who do not have access to sufficient water;
 - c) There is no other source of water within 10 miles of the affected households;
 - d) The municipality will be reimbursed for the full direct and indirect costs of providing and delivering the water;
 - e) Providing the water at the standpipe does not reduce the amount of water available to residences and businesses within the municipality's water service area or to residences and businesses outside the service area with whom the municipality has directly contracted to provide water and

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input checked="" type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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- f) The county enters into an intergovernmental agreement with the municipality which provides that the county agrees to be responsible for:
 - i. Delivering water only through licensed commercial water haulers that are contracted by the county;
 - ii. Paying the municipality for the full costs of providing the water to those eligible to receive water services;
 - iii. Billing residences for the cost of water being received;
 - iv. Providing an annual amount of water to the residences that does not exceed the annual amount of water the residences previously received;
 - v. Implementing necessary water conservation measures if the annual water limit is exceeded;
 - vi. Working to identify long-term solutions for the area's water needs and
 - vii. Ceasing to issue building permits for new construction in the affected area. (Sec. 1)
- 2. States that only residences occupied before January 3, 2023, or for which a valid building permit was issued during the one-year period preceding this date are eligible to receive water. (Sec. 1)
- 3. Requires this intergovernmental agreement to indemnify municipality with respect to any actions taken or occurrences after the water is provided at the standpipe. (Sec. 1)
- 4. States that the provision of water and intergovernmental agreement are contingent on the municipality obtaining a water source from a third party. (Sec. 1)
- 5. Authorizes a county, upon request, to assist the municipality in obtaining a water source from a third party. (Sec. 1)
- 6. Prohibits a county that enters into this intergovernmental agreement from issuing building permits for new construction in the unincorporated community until a permanent water solution is in effect. (Sec. 1)
- 7. Allows a municipality to reduce or suspend the amount of water provided if the water becomes unavailable from a third party. (Sec. 1)
- 8. States that a municipality is not liable to any person or entity for providing or failing to provide water. (Sec. 1)
- 9. Repeals the above requirements on December 31, 2025. (Sec. 2)
- 10. Contains an emergency clause. (Sec. 3)